

## Message Text

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21

ACTION AF-06

INFO OCT-01 ISO-00 EUR-12 PM-04 NSC-05 SP-02 SS-15 CIAE-00

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COME-00 TRSE-00 CIEP-01 OMB-01 AID-05 /074 W

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R 131544Z JAN 76

FM AMEMBASSY BAMAKO

TO AMEMBASSY PARIS

INFO SECSTATE WASHDC 3040

AMEMBASSY ABIDJAN

AMEMBASSY DAKAR

C O N F I D E N T I A L BAMAKO 151

EO 11652: GDS

TAGS: EFIN, ML, FR, ECON

SUBJ: FRANCO-MALIAN MONETARY TALKS

1. VICE PRESIDENT BABA DIARRA MET WITH FRENCH PRESIDENT IN PARIS WEEK-END OF JANUARY 10-11 TO DISCUSS MALI'S ECONOMIC SITUATION. RADIO MALI CARRIED BRIEF STATEMENT SAYING TWO HAD DISCUSSED BILATERAL COOPERATION. LOCAL BUSINESS AND FRENCH EMBASSY SOURCES TELL US THAT DEFICIT IN MALIAN FRANC (MF) ACCOUNT AT FRENCH TREASURY IN PARIS HAS NOW TOPPED \$180 MILLION DOLLARS. THE FRENCH HAVE ACCORDINGLY CALLED A HALT AND ARE, IT APPEARS, READY TO PRESS DEMANDS, INCLUDING A REALIGNMENT OF MALI'S GROSSLY INEFFICIENT STATE ENTERPRISES, AND PERHAPS THE ENTRY OF MALI INTO THE WEST AFRICAN MONETARY UNION. THIS WOULD, IN EFFECT, END THE SEPARATE LIFE OF THE MF WHICH WOULD BE REPLACED BY THE CFA AS THE NATIONAL CURRENCY.

2. AN ADDITIONAL PROBLEM EVIDENTLY DISCUSSED BETWEEN BABA DIARRA AND GISCARD IS THE PROJECTED MALIAN 1976 BUDGET DEFICIT OF \$32.5 MILLION. THE  
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GOM BUDGET SHOULD HAVE BEEN APPROVED AND PRESENTED

IN DECEMBER.

3. SINCE THE LEVEL OF FRENCH SUPPORT FOR THE FM, AND THE MALIAN BUDGET, ARE BOTH CONSIDERED CLASSIFIED INFORMATION HERE, WE CANNOT CONFIRM THESE FIGURES WITH EITHER THE GOM OR THE FRENCH. NONETHELESS, THE FRENCH DCM DID NOT DISPUTE THIS ACCOUNT.

4. THIS CURRENT ROUND OF FRANCO-MALIAN TALKS MAY HAVE BEGUN WITH THE VISIT OF MME CHASSANGE, TO BAMAKO OCTOBER 17, WHEN A MINOR AID AGREEMENT WAS SIGNED AND SOME ROUTINE STATEMENTS MADE ABOUT EXPANDING BILATERAL COOPERATION. BABA DIARRA'S VISIT TO PARIS FOLLOWED, AND WE HEAR THAT SOME OTHER MEETINGS ARE SCHEDULED FOR MID-JANUARY, BUT WE HAVE NO DETAILS. FRENCH EMBASSY CONFIRMED THAT FRENCH MINISTER OF COOPRATION ABELIN WOULD VISIT BAMAKO JANUARY 29. PERHAPS NEW AGREEMENTS WILL BE ANNOUNCED THEN.

5. MALI HAS LONG CEASED BEING ABLE TO PAY ITS BILLS, EITHER FOR DEVELOPMENT OR FOR CURRENT GOVERNMENTAL OPERATIONS. THE FRENCH GOVERNMENT IS THE SINGLE MOST IMPORTANT SOURCE OF SUPPORT, FOLLOWED BY THE EEC. WE HAVE NOTICED A NEAR TOTAL LACK OF CRITICISM BY MALI OF FRANCE, OR EVEN OF FRENCH COLONIAL CONTROL OVER THE AFARS AND ISSAS, AND HAVE ASSUMED THIS WAS THE RESULT OF PAST FRENCH ECONOMIC AND FINANCIAL ASSISTANCE TO MALI. OTHER THAN PUSHING THE MALIANS TO STREAMLINE THEIR ECONOMIC SYSTEM, IT IS NOT YET CLEAR WHAT ADDITIONAL CONCESSIONS THE FRENCH WILL REQUIRE TO BAIL OUT THE MALIANS THIS TIME.

6. CAN EMBASSY PARIS ADD ANYTHING?  
MCGUIRE

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NNN

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